

VZCZCXRO9646  
RR RUEHGA RUEHHA RUEHQU RUEHVC  
DE RUEHON #0090/01 0670859  
ZNR UUUUU ZZH  
R 080859Z MAR 07  
FM AMCONSUL TORONTO  
TO RUEHC/SECSTATE WASHDC 1868  
INFO RUCNCAN/ALCAN COLLECTIVE  
RUEAHLG/HOMELAND SECURITY CENTER WASHDC  
RUEAWJA/DEPT OF JUSTICE WASHDC  
RUEWMCS/DEA HQS WASHINGTON DC

UNCLAS SECTION 01 OF 03 TORONTO 000090

SIPDIS

SENSITIVE  
SIPDIS

E.O.12958: N/A

TAGS: [SNAR](#) [SOCL](#) [PGOV](#) [KCRM](#) [CA](#)

SUBJECT: ILLICIT DRUG PRODUCTION AND TRAFFICKING IN ONTARIO

Ref: 06 Ottawa 2645

Sensitive But Unclassified - protect accordingly.

1. (SBU) SUMMARY: Police seizures and arrests during the past year show that illegal drug activity, including cross-border smuggling, continues to be a big problem in Ontario. Police have seized large quantities of ecstasy, cocaine, and marijuana. They have discovered and shut down nearly 300 indoor marijuana grow operations in the Greater Toronto Area. Police recently uncovered several marijuana trafficking rings operating at the Akwesasne First Nations Reserve, which borders the U.S. in eastern Ontario. Police discovered two large methamphetamine labs north of Toronto. Police believe organized crime is behind much of the large-scale illegal drug activity. END SUMMARY

Thousands of Pills: Ecstasy Produced in Large Amounts  
-----

2. (SBU) Three major examples from the past year - by no means the only ones - include: In January 2006 Toronto Police charged nine Greater Toronto Area (GTA) residents for their involvement in the importation of approximately 4,500 kg of Chinese MDP2P, the main ingredient used to produce Ecstasy tablets. This amount of MDP2P could produce 30 million Ecstasy tablets. "Ecstasy production in the GTA has been on the rise and recent investigations have shown that this increase is tied to both domestic and international markets," Supt. Ron Allen, Officer in charge of the GTA Drug Section told the media at that time.

3. (SBU) In September 2006 the Royal Canadian Mounted Police (RCMP) arrested four Toronto residents and two Mississauga residents in connection with an MDMA ring trafficking drugs between Canada and the United States. The investigation was prompted by U.S. authorities, who identified a Canadian source for MDMA distributed in the U.S. Large amounts of the MDMA were allegedly exported, with proceeds being funneled back into Canada. Those arrested are charged with conspiring to export approximately 250,000 MDMA tablets, worth approximately C\$5 million, into the United States.

4. (SBU) In October 2006 a Canadian-American joint investigation identified a Windsor-based criminal organization trafficking ecstasy from the Toronto and Windsor areas into the U.S. During the 6 month investigation, police intercepted approximately 55,000 tablets, containing both ecstasy and methamphetamine. Police charged 16 Ontario residents and 9 Michigan residents. In August 2006 police found 68,000 tablets of ecstasy, with an estimated street value of C\$1.3 million, in storage units in the west end of Toronto. A Mississauga man, his parents, and an associate were charged with various drug and weapon offenses.

Marijuana Grow-Ops a Constant Concern  
-----

5. (SBU) The U.N. Office of Drug Control (UNODC) estimates that 960

to 2,400 metric tons of marijuana is produced annually in Canada, 25% of which is produced in Ontario. Police dismantled over 270 indoor grow-ops in the GTA in 2006. In January 2007 Toronto police told the press they have been discovering about one grow-op a day.

¶6. (SBU) Police note that most of these operations take place outside high-density urban areas, due to lower real estate prices and increased privacy. The average grow-op is in a private residence, usually a detached house of between 2,500 square feet and 3,000 square feet, and contains some 400 - 500 plants, worth C\$400,000 - C\$500,000. Greenhouse and clone technology in indoor grow-ops allow for 4-6 harvests per year, as opposed to one or two using traditional methods.

#### Akwesasne Reserve a Marijuana Smuggling Site

-----

¶7. (SBU) In December 2006 police seized 117 lbs of marijuana from a resident in the Canadian portion of the Akwesasne Territory Mohawk Reserve, an Indian reservation located on both sides of the Canada-U.S. border on the east end of Lake Ontario. A 41 year-old man was charged with possession for the purpose of trafficking. The Akwesasne Territory Mohawk Reserve was also the site of another cross-border bust on November 20, 2006. In that case, 12 people were arrested after a 2 year investigation of a drug trafficking and cigarette smuggling ring. According to the Cornwall RCMP, cigarettes were manufactured in a factory located on the American side of the reserve and smuggled into Canada by boat across the St. Lawrence River. Profits from the cigarette sale were used to purchase marijuana, which was then distributed in the U.S.

¶8. (SBU) The Akwesasne Reserve has historically been an attractive site for smuggling and drug trafficking (see reftel). It straddles

TORONTO 00000090 002 OF 003

the Ontario-Quebec provincial border and spans the Canada-U.S. border. The Reserve is known as the St. Regis Mohawk Reserve in New York. The 401 Trans-Canada highway is conveniently located just outside the reserve, providing direct routes west to Toronto and east to Montreal. Federal police estimate that C\$1 billion in drugs and contraband flow internationally through the reserve each year.

#### Cocaine Imported, Marijuana Exported

-----

¶9. (SBU) Large recent cocaine seizures in Ontario may indicate sizable drug pipelines operating across borders. Ontario-grown marijuana, according to the Ontario Provincial Police (OPP), is often exported to the U.S. in exchange for cocaine. Such an operation was dismantled in May 2006 by Toronto Police and U.S. law enforcement agencies, which seized 48 kg of cocaine, worth an estimated C\$1.5 million; 1,200 lbs of marijuana, worth an estimated C\$3.6 million; and 200 Ecstasy tablets. Authorities charged 24 people with 250 drug-related charges. Trucks, cars, and boats, 14 of which were seized by police, were used to transport the marijuana across the border, where it was sold. The proceeds from the sale were used to purchase cocaine in the U.S, which was then imported back into Canada.

¶10. (SBU) In February 2007 Canadian Border Services Authority (CBSA) officers seized 171 kg of cocaine at the Ambassador Bridge in Windsor, worth C\$21 million, one of the largest cocaine seizures ever made at a Canadian land border crossing. Two men, a Mississauga resident and a Brantford resident, were charged with the importation of a controlled substance and possession of a controlled substance for the purpose of trafficking.

¶11. (SBU) In February 2007, Halton Regional Police (west of the GTA) found more than 200 kg of uncut cocaine, worth C\$20 million, inside a transport truck which entered Canada from the U.S. Investigators believe that the drugs were destined for a distributor, and that organized crime was involved. The driver of the truck, a Brampton resident, was arrested for drug trafficking.

¶12. (SBU) On February 13, 2007 Ottawa Police busted a cocaine and ecstasy ring, believed to have been distributing between 30 and 50 kg of cocaine per month. Four Montreal area raids and eight Ottawa area sites led to the arrest of 18 people, including the head of the ring. Together, they face 138 drug, weapons, and criminal activity charges. The operation seized a variety of drugs (22 kg of cocaine, 12 kg of Ecstasy, 729 grams and 176 plants of marijuana), worth C\$3.3 million.

#### Meth 'Super-labs' also Raided in Ontario

-----

¶13. (SBU) A methamphetamine 'super-lab' bust on February 16, 2007 resulted in the seizure of approximately 21 lbs of powdered methamphetamine, worth over C\$950,000; 1.75 lbs of crystal methamphetamine worth C\$148,000; and precursor chemicals. The lab, one of the largest methamphetamine labs ever discovered in Ontario according to the OPP, was discovered in a rental cottage in Gooderham, Ontario, 200 km northeast of Toronto. One Mississauga man was charged with the production of a controlled substance and possession of a controlled substance for the purpose of trafficking.

¶14. (SBU) Last June police seized 35 kg of methamphetamine at a well-hidden methamphetamine 'super-lab' near Lion's Head, 200 km northwest of Toronto. Police also seized 25 kg of the precursor drug ephedrine and charged one Kitchener resident with possession for the purpose of trafficking and one Mexican citizen with making and possessing a controlled substance and conspiracy. According to the RCMP Drug Report for 2006, while methamphetamine lab activity continues to be most prevalent in the West, it is rapidly spreading across Canada. The number of production sites discovered in Ontario ranks second only to British Columbia.

#### Organized Crime Profiting From Illegal Drug Trade

-----

¶15. (SBU) It seems clear that organized crime is involved in the drug trade. An investigation of the outlaw biker organization Hell's Angels culminated in mass raids across the province on September 30, 2006. Police seized C\$2.9 million worth of drugs, including 50,000 ecstasy tablets, 13 kg of cocaine, and 2 kg of crystal methamphetamine. According to the 2006 Organized Crime Report by the Criminal Intelligence Service of Canada, street gangs, 80 of which are active in Toronto, mainly traffic the drugs that are provided by higher level criminal organizations, such as biker gangs.

¶16. (SBU) COMMENT: Police suspect organized criminal groups have

TORONTO 00000090 003 OF 003

become increasingly involved in both the large-scale production and distribution of synthetic drugs, notably ecstasy and cocaine. The sophisticated drug producing capabilities of the raided sites and large volumes seized of precursor drugs, weapons, currency, boats, and vans point to the involvement of organized crime. These criminal organizations are looking for efficiency; they are producing multi-kilogram quantities at well-hidden "super-labs," and using imported MDP2P to speed the production process. Marijuana grow operations have also become increasingly well-hidden, setting up in suburban areas and keeping up the appearance of well-maintained family homes, often with young families living within these residences. Law enforcement officials find detection of this kind of grow-op particularly difficult.

¶17. (SBU) COMMENT (continued): Senior provincial officials tell us they are challenged by the illegal drug activity but are committed to aggressively tackling the problem. Toronto-resident U.S. law enforcement officials note that cooperation with provincial and federal law enforcement officials on this type of cross-border cases is excellent.

NAY